



A I F O

Associazione Italiana Amici di Raoul Follereau

STATEMENT OF FINANCIAL POSITION
at
31 DECEMBER 2019



**2019 Statement of Financial Position
STATEMENT OF ACTIVITIES ACCOUNT**

REVENUES	2019 Statement	2018 Statement	diff. %
REVENUES			
Donations	1.409.893	1.652.783	-15%
Revenue from the 5/1000 tax	97.512	102.376	-5%
Contributions from Private Associations	137.779	132.126	4%
Contributions from AICS and other National Institutions	1.334.014	449.586	197%
Contributions from International Donors	166.060	403.022	-59%
Contributions from Local Entities and Regions	185.923	49.002	279%
Contributions from Local Entities and Regions through Groups	3.500	-	-
Revenues from Bequests	1.419.403	420.707	237%
Variations in Residual Funds	30.753	(13.816)	-323%
TOTAL REVENUES	4.784.839	3.195.785	50%
EXPENSES			
Campaigns	380.700	343.838	11%
Publications	197.102	172.592	14%
Bequests	65.696	65.321	1%
Institutional Activities	82.511	100.542	-18%
Cooperation Projects	2.414.786	1.516.132	59%
Development Education Projects	74.616	39.793	88%
Structural Expenses	792.636	875.589	-9%
TOTAL ORDINARY MANAGEMENT EXPENSES	4.008.048	3.113.802	28%
RESULTS FOR THE FISCAL YEAR	776.790	81.978	

FINANCIAL MANAGEMENT			
Interest receivable on Bank Accounts	1	15	
Bank and Postal Account Expenses	(4.225)	(3.497)	
Result, bank and postal account management	(4.224)	(3.482)	
Income from Investment Funds and Securities	15.686	2.123	
Costs of Investment Funds and Securities	(43)	(37.642)	
Result, investment funds and securities management	15.643	(35.519)	
Bank guarantee costs	(8.659)	(8.317)	
RESULT FINANCIAL MANAGEMENT	2.760	(42.318)	
ALLOWANCES AND RELEASED ALLOWANCES			
Allowances	(303.224)	(54.732)	
Released Allowances	9.529	17.608	
ALLOWANCES AT NET OF RELEASED ALLOWANCES	(293.695)	(37.124)	
EXCEPTIONAL REVENUES AND EXPENSES			
Exceptional Revenues	17.334	31.779	
Exceptional Expenses	(4.856)	(15.824)	
TOTAL EXCEPTIONAL REVENUES AND EXPENSES	12.478	15.955	
RESULTS FOR THE FISCAL YEAR	469.516	(10.797)	
TAXES	(28.817)	(24.288)	
RESULTS FOR THE FISCAL YEAR	469.516	(10.797)	



2019 Statement of Financial Position
ASSETS AND LIABILITIES

ASSETS	2019	2018
FIXED ASSETS		
<i>Intangible Assets</i>		
Software		500
AIFO Trademarks		53
		553
Total Intangible Assets		
<i>Tangible Assets</i>		
Land and Buildings	680,825	680,381
Systems and Machinery	6,374	18,585
Other Goods	5,050	7,319
Sales In Progress and Down Payments		-
Total Tangible Assets	872,255	716,285
Financial Assets		
Shares	23,566	23,566
Bank Notes as Guarantee		
Total Financial Assets	23,566	23,566
TOTAL FIXED ASSETS	895,821	740,400
CURRENT ASSETS		
Inventories	1,243,382	85,829
<i>Short-Term Project Financing Credits</i>		
Credits from Private Associations	44,381	38,127
Credits from AICS and Other National Institutions	1,100,428	568,032
Credits from International Donors	11,400	192,481
Credits from Local Entities	223,435	239,995
Credits through groups	875	875
Total Short-Term Project Financing Credits	1,380,519	1,037,910
<i>Long-Term Project Financing Credits</i>		
Credits from Private Associations	225,170	-
Credits from AICS and Other National Institutions	1,094,017	1,086,977
Credits from International Donors	-	-
Credits from Local Entities	-	-
Total Long-Term Project Financing Credits	1,319,187	1,086,977
Total Project Financing Credits	2,699,706	2,124,487
Tax Credits	1,054	8,058
Other Credits	198,905	242,889
<i>Bequests and Donations</i>		
Bequests and Material Donations	1,628,979	698,591
Total Bequests and Donations	1,628,979	698,591
Current Financial Assets	243,663	177,762
<i>Liquid Assets</i>		
Cash and Cash Equivalents	95,380	40,839
Bank and Postal Accounts	3,542,631	3,974,881
Total Available Liquid Assets	3,638,020	4,015,899
TOTAL CURRENT ASSETS	8,521,009	7,360,795
POSITIVE ACCRUALS	15,371	19,653
TOTAL ASSETS	9,232,201	8,120,852

NET ASSETS AND LIABILITIES	2019	2018
NET ASSETS		
<i>Unrestricted Net Assets</i>		
Available Funds	2,897,510	2,295,833
Revelation Fund 185/2006 Law	848,958	848,958
Surplus/Deficit	489,518	(10,797)
Total Unrestricted Net Assets	3,405,984	3,133,994
<i>Restricted Net Assets</i>		
Designated Project Funds	468,426	270,900
Fixed Reserve	800,000	800,000
Total Restricted Net Assets	1,068,426	870,900
TOTAL NET ASSETS	4,474,410	4,004,894
RISKS AND COSTS ALLOWANCE		
Various Allowances	71,926	131,323
Project Accounting Risk Allowance	53,859	19,252
TOTAL RISKS AND COSTS ALLOWANCE	125,784	150,575
SEVERANCE PAYMENT FUND (TFR)	410,901	421,391
DEBTS		
Suppliers	71,830	108,738
Other Debts	240,295	277,047
Debt toward Social Security Institutions	48,324	52,180
Tax Debts	25,854	33,759
TOTAL DEBTS	384,302	471,721
NEGATIVE ACCRUALS	3,836,805	3,072,271
TOTAL LIABILITIES	4,757,192	4,114,893
TOTAL NET ASSETS AND LIABILITIES	9,232,202	8,120,853
INTERIM ACCOUNTS		
<i>Funds Committed to Projects</i>		
Short-Term Funds Committed to Projects	876,192	1,731,541
Long-Term Funds committed to Projects	2,682,880	1,437,185
Dev. Ed. Funds (Short-Term)	16,032	24,325
Total Funds Committed to Projects	3,575,103	3,193,081
<i>Guarantees</i>		
Titles as Bank Guarantees		-
Total Guarantees	-	-
<i>Guarantees Received</i>		
Bank Guarantees Received from Third Parties		-
Total Guarantees Received	-	-



ADDITIONAL NOTES TO THE 2019 STATEMENT OF FINANCIAL POSITION

1. INTRODUCTORY INFORMATION

The *Associazione Italiana Amici di Raoul Follereau* – AIFO, an Organization for International Health and Sanitation Cooperation, is formed according to art. 12 and following in the Civil Code, and is recognized as a legal entity under Decree n. 561, issued by the President of the Republic on 3 July 1979. It is a Non-governmental Organization (NGO), officially licensed to work in developing countries through cooperation programs, according to law 49/87, with legislative orders ratified by the Italian Minister of Foreign Affairs (2 February 1978, n.196/0039 and 14 September 1988 n.1988/128/4178/OD).

With the introduction of the law 125/2014, substituting the 49/87 law since 01/01/2016, AIFO is officially listed in the Italian Agency for Development Cooperation's *Register of Civil Society and Other Non-profit Organizations*, by decree n. 2016/337/000115/0, as defined by Art. 26 of the 125/2014 law. AIFO is also a non-commercial entity, considered a non-profit organization of social utility by right – ONLUS, under article 10, paragraph 8 of legislative decree 460/97, and is officially recognized by the World Health Organization (WHO).

Following approval of legislative decree n.117 of 3 July 2017, AIFO qualifies as a "Third Sector Organization" (*Ente del Terzo Settore - ETS*), and following its registration in the National Third Sector Register, AIFO will no longer be considered an ONLUS.

AIFO's annual statement of financial position, **closed on 31 December 2019**, is made up of the following sections:

- Annual Management Report drafted by the Board of Trustees;
- Statement of Financial Position;
- Statement of Activities;
- Additional Notes on the Statement of Activities.

In order to provide detailed information on activities carried out throughout the year, Informational Charts have been attached to the statement; these are not, however, an integral part of the final statement per se in a technical sense. Following usual procedure, the Annual Report will later be substituted by the Social Report.

The Statement of Financial Position and Statement of Activities are presented in Euros; data given is directly comparable to the previous financial year. Budget Items in the Statements are subdivided by category based on their relative administrative sector. Consequently, and in compliance with the postulate of comparability under Art. 2423-ter, Paragraph 5 of the Civil Code, budget items presented conform to those reported in the previous financial year.

All of AIFO's activities are carried out coherently with the stated Purpose of this entity. Projects are subject to account and budget monitoring.

Institutional donors receive financial statements according to the schemes and timetables they request, while private donors receive timely reports on the use of provided funds.

2. ACCOUNTING PRINCIPLES APPLIED

The statement was drafted in conformity with the protocol stipulated by the Italian National Council of Practicing Accountants (*Consiglio Nazionale dei Dottori Commercialisti*) relative to statement of financial position drafting for non-profit entities. Where necessary this has been integrated by the accounting principles published by the Financial Accounting Standard Board (F.A.S.B. n. 116 and 117) specifically



applying to Non-profit organizations, in compliance with pertinent laws and in observance of a general principle of prudence.
Figures were registered on the basis of an accrual accounting method, regardless of the effective date of receipt or payment.

No variation has been made to the accounting principles applied in the previous fiscal year.

3. EVALUATION CRITERIA

Tangible, Intangible, and Financial Assets

Items listed as tangible and intangible assets have been presented net of depreciations and registered at purchase price value, including directly related costs, with the exception of the value of real estate in the "Land and Buildings" category, legally reassessed from 31/12/2008, on the basis of Legislative Decree 185/2008. The value of items listed in this category therefore corresponds to their cost value (as the result of estimated appraisals drafted to this purpose) assessed during the first months of 2009 and integrated by any directly related costs.

Depreciations were carried out using a constant depreciation charge, depending on the possibility of future use of the specific assets.

The financial assets category is subdivided into "Shares" and "Bank Titles as Guarantee." When an amount is registered corresponding to the last item, it represents restricted AIFO bank titles serving as guarantees for bonds released to donors by banks on behalf of AIFO. For the fiscal year reported on in this document no such item is present.

Inventories

This item represents the value of promotional and awareness materials stored at the national headquarters at the date of final statement closure and as registered as the specific cost incurred.

Short and Long-Term Project Financing Credits

Some of the projects attributed to the Association are carried out with the partial or full contributions of national and international public or private entities. For these projects, on the basis of the values assigned in contracts and agreements pertaining to approved projects or in the written deliberations of the entities themselves, the Association records as credit the value of the contribution agreed upon toward project financing.

These contributions have been depreciated to their presumed fulfillment value when this is inferior to the initially registered amount.

Items are subdivided on the basis of the nature of the financing entity and mainly include credits received from private associations, the Italian Agency for Development Cooperation (*Agenzia italiana di cooperazione allo sviluppo*, hereafter AICS)¹ and other National Public Institutions, International Donors such as UNICEF or the European Union, and local institutions and associations (hereafter EE.LL.). "Credits through groups" refers to financing approved by local institutions which are not directly destined to AIFO but to one or more of its affiliated groups throughout national territory.

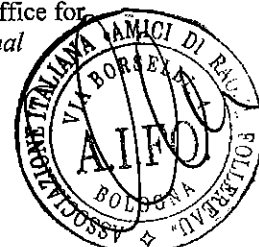
Credits on taxes

This item reports credits on down payments relative to IRES and/or IRAP (regional income tax) taxes and to the substitute tax on gains deriving from severance pay revaluations.

Other credits

The budget item entitled "other credits" is made up of "Donations", "5/1000 tax", Credits from loans to other projects, prepaid expenses, and other various forms of credit.

¹ The Italian Agency for Development Cooperation (*Agenzia italiana di cooperazione allo sviluppo*) was one of the main changes presented in the cooperation reform (law n.125/2014). It began to operate in January of 2016, with independent legal status, substituting the Ministry of Foreign Affairs (*Ministro degli Affari Esteri*, or MAAEE, now MAECI, Ministry of Foreign Affairs and International Cooperation) as the formal and operational liaison office for international cooperation projects. Beginning this year, the budget line *Credits from AICS and other National Institutions* substitutes the budget line *Credits from MAAEE*, which appeared in previous years.



"Donations" reports donations received at the beginning of the current year which pertain to the fiscal year being reported. "5/1000 tax" refers to the relative amount destined to AIFO, which has been published by the Internal Revenue Service but is yet to be received; while contributions related to the "5/1000 tax" whose exact amount has yet to be published by the Internal Revenue Service are not included in the statement.

The budget line "credits from loans to other projects" reports amounts temporarily transferred from one project to another due to cash box necessities arising in foreign offices. The budget line is balanced by the corresponding line "debts to projects", which records amounts loaned from other projects that must be paid back.

Finally, this budget item reports prepaid expenses related to travel or missions and those related to regional coordination activities, reimbursement of expenses to be received and other less important forms of credit according to type and entity.

Bequests and Donations

Goods and currency bequeathed through wills and testaments are recorded on the statement at cost value; while real estate is entered at its officially estimated market value, or, in the absence such documentation, at the amount of its reassessed land registry value. This budget item is recorded in the statement upon its approval by the Association's Board of Trustees and is then depreciated when the good is monetized.

A specific allowance entitled "Expense Allowance for Bequests" is also registered in adjustment of the above-mentioned values, equal to the presumed expenses which the Association will have to incur when the good is definitively monetized.

In order to fully comply with the principle of prudence, and on the basis of the differences in initially registered values and presumable cost values, a "Bequest Depreciation Allowance" is also reported, determined on the basis of all available information, such as updated appraisals and any appeals related to wills.

Current assets

This budget item contains short-term private banking investments, bonds, mutual funds and any funds in restricted accounts.

Short-term private banking investments are either registered at their cost value at the date of statement closure if this is inferior to their historical cost, or at their historical cost value when their cost value at the date of statement closure is higher than their historical cost. In this last case, the difference between cost value and historical value at a net of taxes is highlighted, specifying any relative gains. Otherwise, the difference is registered as a "Share depreciation fund", to account for this depreciation.

Any restricted funds representing bank guarantees are subtracted from the total value entered for floating assets, as these funds are not readily available.

Cash and Cash Equivalents, Bank and Postal Accounts

These budget items are represented at their nominal values. Existing currency accounts tied to ongoing projects and those under the direct management of AIFO have been converted using the exchange rate given by the Italian National Bank valid at the date of statement closure.

Accruals

Accruals are present both in assets and liabilities; these budget items report costs and income common to two or more years, determined according to their respective criteria.

Liability accruals specifically include the budgeted contributions of organizations and those pertaining to future periods, as these contributions are related to expenses and activities for projects to be carried out after the end of the fiscal year.

Asset accruals include any positive differences which have occurred, at their net value after taxes, modified at the difference of historical and cost value of the private banking investment.

Net Assets

Net Assets is subdivided into "Unrestricted Net Assets" and "Restricted Net Assets", considering the amount determined by the Association's charter.



"Unrestricted Net Assets" corresponds to the amount of funds available for expenditure in support of the association's aims, and includes "Available funds", "Surplus/deficits", and "Revaluation Reserve", created to itemize the revaluation of real estate according to the legislative decree 185/2008, activated on 31/12/2008.

"Restricted Net Assets" includes "Designated Project Funds" and "Fixed Reserve". "Designated Project Funds" represents the amount AIFO has pledged through 31 December for project implementation in the next fiscal year, at its net value, as agreed upon with donor organizations.

"Fixed Reserve" represents the amount of funds which are unavailable in accordance with assembly resolution n. 97/2007. This decree defines the amount of a restricted fund, proportional to 30% of net pledges, and must fall between € 600,000 and € 1,200,000, as a guarantee in the event of unexpected incidents or contingent future liabilities.

Risks and Costs Allowance

The "Risks and Costs Allowance" is made up of "Various Allowances" and "Project Accounting Risk Allowance". "Various Allowances" are allocated in order to cover either existent or probable expenses and liabilities, whose exact amount or payment date are not determinable at the time of statement closure. Provisions reflect the best possible estimate based on available information. In the evaluation of risks and costs, risks and costs are considered even when they are discovered after closure of the fiscal year up until the publication date of the present document.

"Project Accounting Risk Allowance" are registered with prudence to cover any expenses arising from evaluations of accounting carried out by donors in the case of co-financed projects. There are generally set at an annual amount of 1% of the costs reported for co-financed projects totaling over 10 thousand euro, and decreased by the amount pertaining to completed projects once co-funding has ended.

Severance Payment Fund (TFR)

This budget item reports the entire amount pertinent to each administrative period, calculated on the basis of article 2120 of the Civil Code in conformity with what is defined by the current Collective National Labor Contract. Beyond this, the item also reports any severance pay pertinent to volunteers and humanitarian aid workers employed in cooperation projects.

Debts

Debts, accounted for as liabilities, are divided into "Suppliers", "Other Debts", "Debts toward Social Security Institutions", and "Tax Debts." They are registered at their nominal value, considered as representative of their actual value.

Interim Accounts

Interim Accounts are made up of "Funds committed to projects", "Guarantees" and "Guarantees Received".

"Funds committed to projects" represents the amount committed to projects in the short and long term, including donor grants. The relative gap between the amount reported in this budget item and the amount recorded under "Fixed Assets" represents the net contributions contracted concerning projects approved by donor institutions.

The budget item "Guarantees" refer to bank guarantees requested by third parties and valid at the closing date of the statement, while "Guarantees received" reports bank guarantees received from third parties, regardless of whether or not a title has been issued. For the fiscal year reported on in this document none of these budget lines are pertinent.

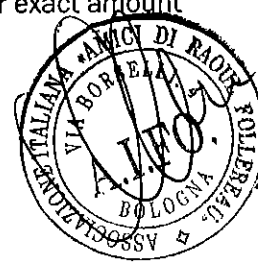
Assets and Liabilities

Assets and liabilities are registered in the Statement on an accruals basis.

Assets are recorded when they become certain.

Specifically:

- Private funding is recorded upon receipt with the exception of those received within the first days of the new fiscal year but which pertain to the previous fiscal year;
- 5/1000 tax assets are registered in the Statement upon communication of their exact amount by the Internal Revenues Service;



- Contributions related to co-financed projects are recorded in proportion to the state of progress of the related project, according to the terms established with the Donor;
- Funding received through last wills and testaments is recorded in the moment it is accepted by the Board of Trustees, and is reported as two distinct budget items, in order to make clear its gross value and relative expenditures and depreciation.

Liabilities are accounted for by project at the moment they are incurred. Variations in the risks and costs allowance relative to project accounting is reported separately from "Allowances and Release of Allowances", since the amount is not directly related to activities carried out.

Liabilities are divided into:

- a) Campaign Expenses, concerning communication and fundraising activities aimed at locating resources to continue the association's activities;
- b) Publishing Expenses, concerning the association's publishing activities;
- c) Last Will and Testament Expenses, concerning costs incurred for the legal and administrative management of inheritances;
- d) Institutional Activity Expenses, concerning costs incurred for the activities carried out by the statutory bodies, certification of the statement of financial position, and institutional relations;
- e) Cooperation Project Expenses, concerning costs incurred to carry out cooperation and development projects, mainly abroad;
- f) Development Education project expenses, concerning costs incurred in carrying out development education projects, mainly in Italy;
- g) Structural Expenses, concerning regular maintenance of the headquarter buildings, personnel, and the Bologna office.

Revenues and expenses of exceptional nature are divided into four parts in the statement, respectively concerning:

- Financial management,
- Allowances and Release of Allowances,
- Exceptional revenues and expenses,
- Taxes (IRES and IRAP)

4. VARIATIONS OF ASSETS AND LIABILITIES

This reports values at the date of statement closure and Variations occurring in budget items appearing as assets, liabilities and net assets, compared to those of the previous fiscal year.

ASSETS

FIXED ASSETS

Fixed assets are presented at net of depreciation funds, and are equal to an overall amount of € 695,821 at 31 December 2019, compared with € 740,405 at 31 December 2018. This variation is almost completely due to an ordinary increase in depreciation funds.

Intangible Assets

This budget item concerns the costs incurred for **software and** the organization's **logos**

Following are the variations regarding **software**:



	31/12/20179	31/12/2018	Variation
Software	162,740	157,655	5,085
Depreciation Funds	(162,740)	(157,155)	(5,585)
Amount reported in the statement	0	500	(500)

The net decrease of the budget item of € 500 is almost entirely due to an increase in depreciation funds.

As regards **logos**, the amount reported in the Statement is € 0, with depreciation complete in 2019.

Tangible Assets

This budget item includes:

- Land and Buildings
- Installations and machinery (including machines and tools, electronic equipment, office equipment, and telephone lines)
- Other goods (including light construction, electrical systems, furniture, vehicles)

The following are variations regarding tangible assets in 2019:

	31/12/2019	31/12/2018	Variation
Land and Buildings	985,188	985,188	
Machines and Tools	104,549	104,549	
Electrical Equipment	143,078	142,440	638
Office Equipment	21,110	21,110	
Telephone Lines	15,404	15,404	
Electrical Systems	6,849	6,849	
Light Construction	24,183	24,183	
Furniture	64,822	64,822	
Vehicles	11,485	11,485	
Total historical value	1,376,667	1,376,030	638
Depreciation	(704,412)	(659,744)	(44,668)
Amount reported in the statement	672,255	716,285	44,030

The only variation occurring during the fiscal year is explained by the purchase of two lap top computers and IT accessories for the Bologna Headquarters, minus the value of a lap top which was erroneously not written off as in disuse during the preceding fiscal year.

Financial Assets

The budget item "Financial Assets" is composed of "Shares" and "Bank Titles as Guarantees".

With respect to the 2018 fiscal year, no variation occurred.

The amount recorded at 31/12/2019 is thus made up of

- € 15,525 worth of shares held in the *Banca Popolare Etica*
- € 8,041 worth of shares in the International Federation of Anti-Leprosy Associations (ILEP), which remains the same as it was previously.

The budget item "Bank Titles as Guarantees" is equal to zero at 31 December 2019, as it was for the previous fiscal year.



CURRENT ASSETS

Inventories

This budget item is exclusively comprised of promotional material present in national headquarters and in the decentralized warehouse in Ferrara, managed by the BAUM Coop, and is equal to € 124,382.23. This amount mainly represents the value at cost of materials related to the 2020 World Leprosy Day and purchased in advance.

Short and Long-Term Project Financing Credits

These budget items concern credits for project financing made on the part of associations adhering to the ILEP along with other private associations, the European Union and other international donor institutions, the CEI, the Italian Ministry of Foreign Affairs and local entities, and are recorded both for short-term and long-term project activities.

These budget items, considered at their total overall value, show the following variations:

	2019	2018	Variation
Balance at beginning of year (including depreciations)	2,130,016	781,310	1,348,706
Credits gained from new approvals	3,037,977	3,414,924	(376,947)
Sum cashed in	(1,857,504)	(2,045,713)	188,209
Write-offs – Variations	(444,095)	(20,506)	(423,589)
Balance at closure of year (including depreciations)	2,866,394	2,130,016	736,379
Credit depreciations	(166,687)	(5,529)	(161,158)
Balance at closure of fiscal year net of depreciations	2,699,707	2,124,486	575,221

A breakdown of credits subdivided by donor type, as they are reported in activities, reveals the following:

Detailed Credits from Donors (at a net of depreciation value)	31/12/2019	31/12/2018	Variation
Credits from private associations (ILEP, CEI, and others)	269,551	38,127	231,424
Credits from AICS and other National Institutions	2,194,445	1,653,009	541,436
Credits from international donors	11,400	192,481	(181,081)
Credits from local entities and Regions	223,435	239,995	(16,560)
Credits from local entities and Regions through groups	875	875	
Total credits	2,699,707	2,124,486	575,221
Of which short-term	1,380,520	1,037,510	
Of which long-term	1,319,187	1,086,977	

Credits from private associations, with an overall total of € 269,551, increase by € 231,424 (from € 38,127 at 31 December 2018). This variation is mainly due to:

- New contributions made by:
 - ILEP foundations (€ 85,000)



- Other private organizations (among the largest: the F.Ili Carli Business, the Waldesian church and other organizations for lesser amounts) for a total of € 32,465
- An important Italian episcopal conference contribution of 213,463 €
- Other less important variations

Credits from AICS and other National Institutions (substituting and including the budget line previously named "*Credits from the Italian Ministry of Foreign Affairs*") are recorded in the Statement for a total of € 2,194,445 (€ 1,653,009 in 2018), of which € 1,094,017 are long-term credits, at net of the depreciation allowance, which amounts to € 153,633. This increase of € 541,436 results from the following movements:

- Approval of new AICS contributions for a total of € 1,731,867, relative to the following projects:
 - Guinea AICS with AIFO as lead project partner in collaboration with Mani Tese (€ 728,415)
 - Mozambique "1000 Days" in collaboration with CUAMM (€ 298,952.21)
 - Mozambique "Saude" in collaboration with CUAMM received an additional credit of € 704,500
- Receipt of payments for a total of € 1,036,756.52, relative to approved projects during the fiscal year (see above) or in previous fiscal years (Guinea AICS Migrants and Liberia AICS Disabilities;

Credits from International Donors are recorded in the Statement, at their net worth considering the relative depreciation funds, for a total of € 11,400 (€ 192,481 in 2018), and are made up of:

- UNICEF credits totaling € 11,400;

Credits From UNICEF refer to :

-A 2017 UNICEF-funded project concluded in 2019 in Guinea-Bissau entitled "*Saude Comunitaria a reducao da mortalidade neonatal, infantil, e materna em Gabu*". This credit went the following movements:

- A credit of € 196,580.76 was received during the course of the fiscal year;
- An increase totaling € 9,964.58 of this credit was also received to rectify recalculations made in the previous fiscal year

-A UNICEF project approved in 2019 in Mozambique, entitled "*Acesso aos serviços psicossociais e socioeconomicos para as pessoas com deficiencia nas áreas afectadas pelo ciclone IDAI e inundacoes*", with partial payment received by the field office abroad.

During 2019 other credits for approved funds were received:

- From SIDA (Swedish International Development Cooperation Agency) in Liberia, with full payment received at the local field office;
- From the United States of America's Embassy in China, equal to € 18,175.21, for a new project in China, with full payment received at the local field office. Due to COVID-19 the project is currently on hold;
- From other International donors for lesser amounts, all with full payment received during the course of the fiscal year.

Finally, no contributions from the European Commission resulting from the approval of new projects were registered during 2019.

Credits from local entities and Regions decreased compared to 2018, from € 239,995 to € 223,435 due to:



- Payments for a total of € 110,294 during the fiscal year;

This difference was partially compensated by:

- Contributions received for a Cooperation Festival in Ostuni for € 15,200;
- A contribution for € 64,335 from the Region of Emilia-Romagna for a project in Mozambique;
- Other lesser contributions

As regards **credits from the EELL, obtained through AIFO groups** located throughout Italy, no variations were recorded, and a credit of € 875 from the Agrate Brianza Municipality through the AIFO Vedano al Lambro group is yet to be paid out.

Tax Credits

Tax credits at 31 December 2019 amounting to € 7,004 decrease compared to the previous fiscal year (€ 8,058 in 2018), due to a stabilization in IRES and IRAP deposits.

Other Credits

This budget item amounted to € 242,569 on 31 December 2019 and decreased by € 45,664 compared to the previous fiscal year. This variation is mainly due to:

- - € 43,520 due to a decrease in the budget item "Credits from loans to projects". This budget item records loan given to projects completely or partially funded by donor institutions but with funds yet to be received and corresponds to the assets and liabilities "Debts toward other projects for loans" which registers amounts received by projects for advances in the form of loans;
- - € 9,345 due to donations received in 2020 pertaining to 2019;
- Other minor variations

Bequests and Donations

The budget item "bequests and donations" is made up of the following:

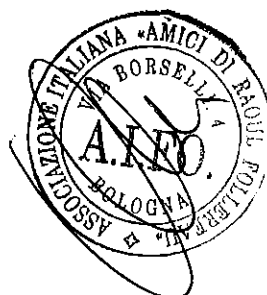
	31/12/2019	31/12/2018	Variation
Real Estate	980,523	798,965	181,558
Currency / Goods	1,025,084	232,468	792,616
Total	2,005,607	1,031,433	974,174
Depreciations	(327,564)	(296,546)	(31,018)
Advances on donations	1,035		
Expense Allowance	(52,099)	(36,295)	(15,804)
Total bequests and donations (at net)	1,626,979	698,592	928,387

All in all, the budget item "Bequests and Donations," recorded as an asset at net of deprecations and the bequest expense fund, amounts to € 1,626,979, increasing compared to the previous year by € 928,387.

This variation in the budget item was determined by:

- An increase of € 1,412,286 due to new bequests received during the fiscal year
- A reduction of € 435,166 in donations
- Other reductions due to less receipt of bequests amounting to € 1,910.32
- An increase in the bequest depreciation fund of € 31,018
- An increase in the bequest expense allowance of € 15,804

Bequests received during the fiscal year can be broken down in the following manner:



- € 335,675 refer to real estate (land and buildings); specifically to an apartment inherited in Monza from one of the association's benefactors;
- € 1,076,611 refer to currency and goods (titles, capital, bank savings accounts, life insurance policies, and other intangible financial assets), including a legacy of € 1,000,000 from a benefactor in Rome.

A case to highlight is the Scandura Bequest, which was used in its entirety to cover project costs in Mozambique.

As far as disinvestment is concerned, a total credit of € 435,166 was registered (compared to € 385,933 in the past fiscal year), of which € 140,000 derived from real estate sales.

The following variations occurred in the budget line "Expense Fund for Bequests" during the course of 2019:

Bequest Depreciation Allowance at 01/01/2019	296,546
Reserve funds created in 2019	87,018
Reserve fund release in the fiscal year	(56,000)
Depreciation fund for Bequests at 31/12/2019	327,564

The increase is due to:

- Release of the depreciation reserve fund of € 56,000, relative to the Petraccone bequest;
- Depreciation of real estate value due to the current situation of the real estate market.

The following variations occurred in the budget line "Expense Fund for Bequests" during the course of 2019:

Expense Fund for Bequests at 01/01/2019	36,294
Reserve funds created in 2019	19,605
Other variations	-
Fund Usage	(3,800)
Expense Funds for Bequests at 31/12/2019	52,099

Reserve funds created during the fiscal year are almost exclusively due to taxes tied to the Liberio bequest.

New reserve fund spending is tied to:

- Real estate maintenance costs for the Peccioli and Mede estates;
- Possible legal expenses relative to the Brex bequest.

Marketable Equity Security (Investment Activities)

This budget item shows the following variations with respect to the previous fiscal year:

	31/12/2019	31/12/2018	Variation
Titles	243,962	177,762	66,200
Total Investment Activities	243,962	177,762	66,200
Of which fixed financial assets	0	0	0
Total Current Financial Assets	243,962	177,762	66,200

Variations in this budget line are to be attributed to the acquisition of new titles deriving from the Ferrera bequest for a total value of € 66,200.93.

Cash and Cash Equivalents



The budget item entitled "Cash and Cash Equivalents" is recorded at € 85,388 and is made up of currency and equivalents available at the National headquarters, along with the currency in cash boxes existent in loco for certain projects, which has been recorded using the exchange rate applicable to the date of statement closure, and is broken down in the following manner:

	31/12/2019	31/12/2018	Variation
Main Cash Box	5,584	1,799	3,785
Stamps and Stamp Duties	512	512	
Checks to Cash	5,720	4,720	1,000
Foreign Currency Cash Box	3,233	1,149	2,084
Project Cash Boxes in loco	70,339	32,658	37,681
Total at Statement Closure	85,388	40,839	44,549

The following deposits and withdrawals were made from the "Main Cash Box" during the fiscal year:

	Main Cash Box
Total at beginning of year	1,799
Deposits	38,544
Withdrawals	(34,759)
Total at closure of fiscal year	5,584

Bank and Postal Accounts

The budget item "Bank and Postal Accounts" is recorded at a total amount of € 3,542,632 and is subdivided in the following manner:

	31/12/2019	31/12/2018	Variation
Bank accounts (Italy)	1,127,772	1,202,137	(74,365)
Postal accounts	1,912,758	2,559,507	(646,749)
Other postal accounts (CMP)*	9,705	33,369	(23,664)
Pre-paid Cards	-	-	-
Total on premises at closure of fiscal year	3,050,235	3,795,013	(744,778)
Project bank accounts in loco (Abroad)	492,397	179,848	312,549
Total at closure of fiscal year	3,542,632	3,974,861	(432,229)

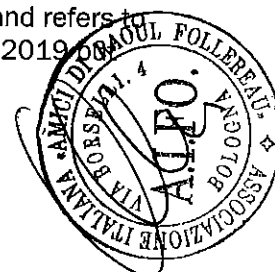
The difference in remaining amounts of bank and postal accounts is tied to the decision to keep a higher amount of cash in postal accounts in order to benefit from their interest rate,

The following deposits and withdrawals were made at bank and postal accounts in Italy:

	Bank Accounts	Postal Accounts	Other Postal Accounts (CMP)	TOTAL
Total at beginning of year	1,381,985	2,559,507	33,369	3,974,861
Deposits	9,613,911	827,007	25,000	10,465,918
Withdrawals	(9,375,727)	(1,473,756)	(48,664)	(10,898,147)
Total at closure of year	1,620,169	1,912,758	9,705	3,542,632

Positive Accruals

This budget item amounts to € 15,371, compared to € 19,653 at 31 December 2018, and refers to insurance and utilities pertaining to the following year, promotional materials paid for in 2019.



delivered in 2020, and increments in value deriving from the fluctuation of the value of titles held by the Organization at 31/12/2019. Wherever values are negative, in contrast to previous fiscal years, the difference in title values is recorded in the various risk allowance.

NET ASSETS AND LIABILITIES

NET ASSETS

As a result of the operating surplus in the 2019 fiscal year, amounting to € 469,516, AIFO's net assets went from € 4,004,894 at 31 December 2018 to € 4,474,410 at 31 December 2019.

They comprise the following:

Designated Project Funds

As described under "Evaluation Criteria" on page 7, this budget item represents the proportion of AIFO funds whose use is restricted to guaranteeing coverage of project costs for projects approved by the Board of Trustees for the following year.

The amount represents cost estimates for the 2020 fiscal year, at net of any contributions on the part of donors.

Designated project funds have seen the following Variations:

2019 fiscal year	Cost Estimate 2020 ² A	Coverage in 2020 of co- funders B	AIFO Designated Project Funds for 2020 (A-B)	AIFO Designated Project Funds for 2019	Variation
Pledged funds for short-term projects	2,701,743	2,280,422	421,321 ³	252,730	168,591
Pledged funds for short-term dev, edu, projects	47,105	0	47,105	18,170	28,935
Total funds pledged for short-term projects	2,748,848	2,280,422	468,426	270,900	197,526

Fixed Reserve

This budget item is equal to € 600,000, corresponding to the limit set by the motion approved by the National Assembly on 26 and 27 May 2007, which foresees a fixed reserve equal to 30% of net pledges destined to projects and which must at any rate fall between € 600,000 and € 1,200,000,

Unrestricted Net Assets

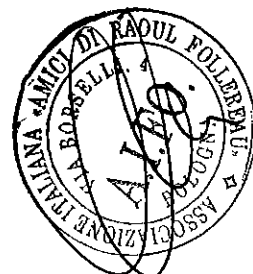
"Unrestricted Net Assets" include the residual part of liabilities, which is not bound as "Designated Project Funds" or "Fixed Reserve" and is made up of the following items at 31 December 2019:

	31/12/2019	31/12/2018	Variation
Available Funds	2,087,510	2,295,833	(208,323)
Revaluation Reserve, 185/08 Law	848,958	848,958	0
Surpluses/Deficits	469,516	(10,797)	480,313
Total Unrestricted Net Assets	3,405,984	3,133,994	271,990

The € 208,323 reduction in available funds is due to:

²From the 2020 Estimated Budget, approved by the Assembly on 16/11/2019

³ From the 2020 Estimated Budget, approved by the Assembly on 16/11/2019



- Adjustment of the € 10,797 loss registered in the 2018 fiscal year
- The movement of € 197,526 from "Designated Project Funds" to "Available Funds" as a result of the approval of the 2019 Estimated Budget draft,

RISKS AND COSTS ALLOWANCE

The budget items present in this category at 31/12/2019 are "**Project Accounting Risk Funds**", and "**Various Funds**", Variations in the "Project Accounting Risk Funds" throughout the year were as follows:

Allowance at 01/01/2019	19,252
Write-offs for accounting approvals or credit depreciations	(195)
Funds Used	(640)
Surplus for projects	35,442
Allowance at 31/12/2019	53,859

The budget item "**Various Allowances**", was recorded at € 71,926 on 31/12/2019, € 59,397 less than that of the previous fiscal year and is made up of the following:

1. **The Taxation Risk Allowance**, which remains stable at € 1,838, as it was in the previous year, to cover risks deriving from an approximate debt in tax payments in 2016, estimated by a consulting firm and in part verified by INPS.
2. **The Title devaluation allowance**, which covers losses in value of non-capitalized equity titles held by the organization, decreased by € 12,830, in comparison to the past fiscal year (from € 74,722 to € 61,893), after a reassessment of all non-capitalized equity titles held, together with an increase in shares in the portfolio.
3. **Various Risk Allowances**, used to cover the severance pay of two workers who terminated their employment on 31/12/2018.

SEVERANCE PAYMENT FUND (TFR)

As mentioned above in under "Evaluation Criteria", this budget item reports the entire amount of severance pay pertinent to employees.

In 2019 the budget item amounted to € 410,901 (compared to € 421,391 in 2018)

Variations in this budget item are as follows:

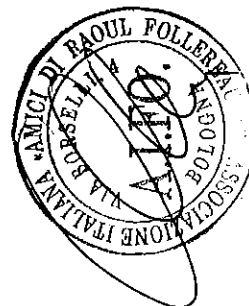
TFR at 01/01/2019	421,391
Usage during year	(44,101)
Surplus for year	33,611
Fund at 31/12/2019	410,901

Allowance usage is tied in large part to liquidating severance pay relative to terminated work relations.

DEBTS

This budget item, which decreased by € 87,418 when compared to the past fiscal year, is broken down as follows:

	31/12/2019	31/12/2018	Variation
Suppliers	71,830	108,738	(36,908)
Other Debts	240,295	277,047	(36,752)
Debts toward Social Security Inst,	46,324	52,180	(5,856)
Tax Debts	25,854	33,755	(7,901)
Total Debts	384,303	471,721	(87,418)



NEGATIVE ACCRUALS

The budget item, amounting to € 3,836,805, includes both various negative accruals and contributions pledged by donors relative to projects to be carried out during the following year or those to come. This item decreases by the amount used during the fiscal year for project implementation and increases in the event of approved projects with a duration of several years by the amount to be "suspended" in as far as it is relevant to successive fiscal years.

In 2019 an increase of € 764,534 was registered, broken down in the following manner:

	31/12/2019	31/12/2018	Variation
Various negative accruals	3,700	2,134	1,566
Deferred short-term project credits	1,506,815	1,590,021	(83,206)
Deferred long-term project credits	2,326,289	1,480,117	846,172
Total negative accruals	3,836,805	3,072,271	764,534

INTERIM ACCOUNTS

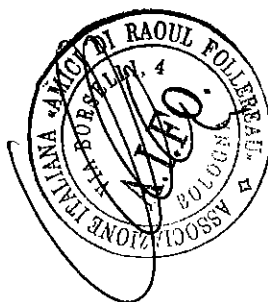
Funds committed to projects at 31 December 2019 are the following:

	31/12/2019	31/12/2018	Variation
Short-Term Funds Committed to Projects	875,429	1,731,541	(856,112)
Long-Term Funds Committed to Projects	2,656,051	1,437,195	1,218,856
Development Education	16,032	24,324	(8,292)
Total Interim Accounts	3,547,512	3,193,061	354,452

The budget items "Funds Committed to Projects" in the short and long-term represent AIFO's pledge to projects at the closure of the fiscal year, and are the result of approval on the part of the Board of Trustees. These approvals are related to pledges made toward the association's own projects, or those of partners or third parties, and can last for various years. Pledges relative to the next year are recorded in the item "Short-Term Funds Committed to Projects", while other pledges are recorded in the item "Long-Term Funds Committed to Projects". Pledges made are not formally communicated to applicants, and since these do not constitute a right, they merely represent a moral commitment. Any possible pledge cancellation is always brought before the Board of Trustees and is determined either by savings emerging during project implementation or by the impossibility of carrying out a given project or any of its parts.

In the case of co-financed projects, the pledge determined by AIFO's Board of Trustees includes the donor contribution, as opposed to what is registered under the budget item "Designated Project Funds", which, as stated above, is at net of such contributions and longer-term commitments.

At 31 December 2019 the amount of bank guarantees received is zero.



STATEMENT OF ACTIVITIES

REVENUES

Contributions from Private Associations

This budget item includes contributions made by private associations (such as CEI, PROSOLIDAR, and ILEP-affiliated associations), as well as the co-financing of the projects promoted and managed by AIFO. The budget item is equal to € 137,778.96, and has increased by € 5,652.96 with respect to the previous year.

Contributions from AICS and other National Institutions

In 2019 this budget item is equal to € 1,334,013.88, an increase with respect to € 884,428 contributed in past fiscal year. This contribution is principally linked to funding tied to the projects *Disability and Start Up. When civil society becomes a protagonist of inclusive development in Liberia AID 011516*, initiated in May 2018, and *Disability, education, work, and information and communication technology AID 11460*, also initiated in 2018; as well as to the 8 X 1000 funding from the Office of the Prime Minister during the fiscal year. Other newly approved multi-year AICS projects which began in this fiscal year contributed to the result, even if to a lesser extent and only near the year's end. These projects will continue to generate funding in the coming fiscal years until their conclusion.

The breakdown of funding by project follows:

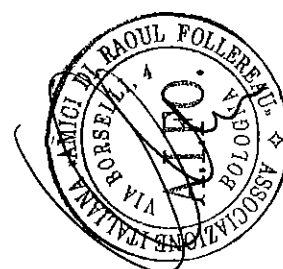
	2019	2018	Variation
Liberia Disability Project AICS	423,656	211,990	211,666
Mozambique PIN Project AICS	370,985	13,333	357,652
Mozambique SAUDE project AICS	135,655	1,650	134,005
No kuida di nô mindjeres project	95,532	172,406	(76,874)
Guinea Migrants Emergency Proj.	106,888	10,236	96,652
Guinea 8x1000 Project	166,447	36,010	130,437
AICS-Ouagadougou Convention		3,960	(3,960)
AICS JUNTAS Project	34,849		34,849
Totale AICS contributions	1,334,013	449,585	884,428

Contributions from the European Union and other International Donors

Contributions from the European Commission in 2019 are registered due to a project financed in Tegsh Niigem in Mongolia.

Considering contributions from other international donors, the budget line registers an overall decrease of € 236,961. Contributions from international donors received during the fiscal year are detailed as follows:

	2019	2018	Variation
EU China Project			
EU Mongolia	4930	-	4930.9
Total EU contributions	4930	0	4930.9
UNICEF Mozambique Project	933	-	933.67
UNICEF Guinea Project	128,993	207,886	(78,893)
MC Guinea Project		39,203	(39,203)
MINSAP Guinea Project	3,625,52	141,510	(137,884)
OMS Guinea Project		1,224	(1,224)
UNDP Guinea Project			0
China US Emb, Project	16,676	13,198	3,478
DFID Mongolia Project	10,900		10,900



**Total contributions from
International Donors**

166,060

403,022

-236,961

Contributions from local entities and Regions through groups

This budget line amounted to € 3,500 contributed in 2019 by the Agrate Brianza Municipality, for a contribution already partially received the previous year.

Bequests

Revenues deriving from bequests amount to a total of € 1,419,404: € 998,697 more than those of 2018 (+52%). These include the value of bequests received during the fiscal year and rents received for inherited real estate not yet disinvested from at 31/12/2019. When proceedings deriving from bequests are analyzed in relation to the costs relative to their management (which will be examined in the "Expenses" section), net revenues deriving from bequest management can be measured as follows:

	2019	2018	Variation
Gross revenues from bequests	1,419,404	420,707	998,697
Consultancy costs for bequests	(47,181)	(50,478)	3297
Other management expenses	(18,515)	(14,843)	(3,672)
Net Revenues for bequests	1,353,708	355,386	998,322

Variations in Residual Funds

This budget item, amounting to € 30,753, is entirely due to the variation of residual inventories in storage. The decrease compared to the past year is purely contingent on dynamics of purchase and distribution of promotional material to AIFO groups (honey in particular), tied to the 64th World Leprosy Day, celebrated on 27/01/2019.

EXPENSES

Introductory Note

In continuation with the decision made during the past fiscal year and in conformity with the proposal contained in the document *Guidelines and Schemes for Drafting Statements of Financial Position for Non-Profit Organizations*, AIFO began representing the Statement of Activities following a *classification of expenses incurred by management area*. This structuring foresees re-classification into homogeneous activity segments:

- 1) Campaigns
- 2) Publications
- 3) Bequests
- 4) Institutional Activities
- 5) Cooperation Projects
- 6) Development Education Projects
- 7) Structural Expenses

The first 6 items contain direct costs incurred by the Association in the implementation of the related activities, while Structural Expenses covers costs related to the functioning of AIFO on a technical and structural level (including headquarter staff, excluding project staff), which are to be considered as indirect expenses with respect to the activities.

This classification has been deemed more appropriate in representing the association's activities aimed at fulfilling its Purposes to third parties.



The subdivision of expenses among the different areas of activity has been made possible through AIFO's use of an Analytical Accounting system, which, among other factors, has allowed for comparison of period values with those of the previous period.

Campaigns

This item sums the expenses incurred by AIFO in the implementation of awareness campaigns and fund raising.

Expenses incurred for campaigns amount to a total of € 380,700, an increase of € 36,862, or 11%, compared to the previous year.

The cost breakdown by activity is the following:

	2019	2018	Variation
WLD	207,924	201,564	6,360
5 /1000		5,677	(5,677)
Contracts and Development	172,776	136,596	36,180
Total campaign expenses	380,700	343,838	36,862

The cost increase compared to the previous fiscal year can be attributed to the negative trend in private donations registered within the past years. This has led to an increase of € 36,180 compared to 2018 in the "Contracts and Development" budget line, tied to greater promotion through newspapers and TV advertisements.

Publications

This budget item sums the expenses relative to AIFO's editorial production: the magazine Friends of Follereau, the Annual Report, and other editorial projects of the association.

Expenses incurred for Publications amount to € 197,102: a € 24,509 increase with respect to 2018. This budget item is broken down in the following manner:

	2019	2018	Variation
Friends of Follereau	197,102	168,647	28,455
Annual Report		3,946	(3,946)
Other Publications		0	
Total Publication Expenses	197,102	172,592	24,509

The increase in Publication costs compared to the previous fiscal year is mainly due to an increase in costs related to publication of the "Friends of Follereau" magazine, and to two special editions #2minutes, along with an increase in shipping costs.

Bequests

Following are the expenses incurred in bequest management:

	2019	2018	Variation
Legal consultancy for inheritance	47,181	50,478	(3,297)
Travel Expenses	790	1,355	(565)
Production of materials		-	
ICI/IMU taxes	3,934	8,362	(4,428)
Other	13,791	5,126	8,665
Total Expenses Bequests	65,696	65,321	375



Institutional Activities

This item sums the expenses related to the functioning of the chartered bodies of AIFO, statement auditing, and institutional relationships with other associations and federations.

Expenses related to institutional activities decreased with respect to the previous year by € 18,030. The cost breakdown by activity follows:

	2019	2018	Variation
General Assembly	13,666	12,631	1,035
Board of Trustees	14,343	12,719	1,624
Board of Auditors	13,519	12,964	555
Statement Certification	796	19,620	(18,824)
Regional Coordination		1,013	(1,013)
Members	8,770	11,013	(2,243)
Institutional Relationships	31,416	30,580	836
Total Institutional Activity Expenses	82,510	100,542	(18,030)

Cooperation Projects

The expenses of cooperation projects amount to € 2,414,786, increasing by approximately 59% compared to 2016.

Following is a breakdown of expenses incurred in 2019 by project:

LIBERIA	COORDINATION 2019	46,215.50
LIBERIA	DISABILITY PROJECT AICS	427,383.25
MADAGASCAR	PN	15,000.00
MOZAMBIQUE	NAMPULA (2019)	62,781.62
MOZAMBIQUE	MANICA 2016	2,333.000
MOZAMBIQUE	MANICA 2019	101,722.75
MOZAMBIQUE	STRATEGIC RER AVSI - Cabo Delgado	13,850.00
MOZAMBIQUE	MOZAMBIQUE PIN/AICS	355,649.50
MOZAMBIQUE	MOZAMBIQUE SAUDE/AICS	124,695.50
MOZAMBIQUE	MOZAMBIQUE VAI	13,542.49
GUINEA BISSAU	P,N,	26,705.93
GUINEA BISSAU	HOME AND OFFICE BISSAU	23,220.45
GUINEA BISSAU	MALARIA CONSORTIUM	19,227.06
GUINEA BISSAU	AICS	94,345.21
GUINEA BISSAU	UNICEF (PIMI 2)	54,244.53
GUINEA BISSAU	EMERGENCY DAKAR	104,621.62
GUINEA BISSAU	8 x 1000	16,015.51
GUINEA BISSAU	MALARIA PREVENTION FROM GLOBAL FUND	3,622.94
GUINEA BISSAU	WOMEN'S EMPOWERMENT IN GABU	35,853.24
NICARAGUA	MANAGUA	5,000.00
BRAZIL	RERSUS	106,194.01
BRAZIL	BRAZIL INCLUSION CEI 2019-2021	10,000.50
BRAZIL	SANTAREM CBR	11,300.00
BRAZIL	PARA	15,121.00



BRAZIL	PORTO NACIONAL COMSAUDE	2,000.00
BRAZIL	BRASA 2019	0.00
CHINA	COORDINATION IN BEIJING	17,500.00
CHINA	HHRR US EMBASSY IN CHINA	54,500.00
INDIA	ANDHRA PRADESH HEALTH	2,000.00
INDIA	NORTH-EASTERN STATES HEALTH	24,500.00
INDIA	KERALA HEALTH	3,000.00
INDIA	KERALA FLOOD EMERGENCY	65,500.00
INDIA	KARNATAKA INCLUSION	15,500.00
INDIA	KARNATAKA HEALTH	3,000.00
INDIA	ORISSA HEALTH	4,000.00
INDIA	ASSAM WALDESIAN CHURCH	2,000.00
INDIA	COORDINATION	60,500.00
MONGOLIA	COORDINATION	2,500.00
MONGOLIA	MONGOLIA TN EIDHR	2,500.00
MONGOLIA	MONGOLIA DFID	1,000.00
NEPAL	EARTHQUAKE EMERGENCY 2015	29,000.00
ITALY	BRIDGING THE GAP	15,000.00
ITALY	OSP. S.MARTINO GE IMMIGRANTS	3,000.00
VARIOUS	LEPROSY REVIEW	11,500.00
VARIOUS	SS. MESSE	1,000.00
VARIOUS	ILEP/OMS/VARIOUS MEETINGS	28,200.00
VARIOUS	NEW PROJECT ELABORATION	91,000.00
BRAZIL	INFANCY GOIAS VELHO	3,000.00
LIBERIA	CAD-L	30,000.00
VARIOUS	NEW PROJECT ELABORATION	18,000.00
MOZAMBIQUE	UNICEF EMERG 1	34,000.00
CHINA	US EMBASSY 2019-20	0.00
TUNISIA		1,543.51
TOTAL short-term		2,614,786.42

Development Education Projects (DE)

Expenses relative to DE projects amount to € 74,616, increasing by € 34,823 (+ 88%) with respect to 2018. The increase was mainly due to costs incurred for the "Being Person" (*Essere Persona*) conventions relative to 2019, and the International Cooperation Festival held annually in Ostuni.

	2019	2018	Variation
Witnesses of Solidarity	2,653	5,112	(2,459)
Ostuni Festival	38,594	14,249	24,345
Educaid/RN Municipality	959	700	259
Civil Service	1,139	1,006	
Peace Project 18	8,480	7,599	
Peace Project 19	74		74
Summer Camps	101		101
Exhibits	344		344
Schools	264	261	3



ESSERE PERSONA Convention (2018
quota)

Total for DS Projects

26,427	2,196	24,231
74,616	39,793	34,823

Structural Expenses

This budget item is comprised of expenses relative to the function of the Bologna office, divided into Organizational Parts (Services): Direction, Administration, General Services and Territory, Services for Projects Abroad, Education and Communication. The item includes the expenses related to office employees, while staff members working for specific projects are included in relative project expenses. Expenses related to the Digital Accounting program, and related employee Training programs are also located here, appearing as a specific item in the breakdown.

	2019	2018	Variation
Direction	139,260	129,433	9,826
Administration	153,371	118,501	34,871
General Services and Territory	168,236	237,185	(68,949)
Services for Projects Abroad	157,350	205,702	(48,353)
Education and Communication	50,850	49,100	1,750
General Costs Bologna Office	110,541	124,388	(13,847)
Accounting Program	13,029	11,148	1,881
Training		132	(132)
TOTAL	792,637	875,589	(82,953)

The expenses of office staff amount to a total of € 631,065 (€ 716,316 in 2018: -12%), Of these:

- € 34,378 were ascribed to projects (€ 12,442 in 2018)
- The remaining quantity (€ 596,687) was ascribed to Structural Costs, distributed among the various services in the association.

Depreciations, located within the item "General Costs Bologna Office" amount to a total of € 50,307 (- € 7,543 compared to 2018),

This breakdown illustrates an overall reduction of structural expenses between 2019 and 2018 equal to € 82,953: - 9%.

A 107,188 € reduction of office staff expenses was recorded compared to 2018. This difference is mainly due to a lesser impact on accounting records of salaries in 2019 for the following reasons:

- the maternity leave of one staff member in "Direction" starting on 06/10/2018;
- the maternity leave of one staff member in "Administration" from 08/05/2019 to 08/10/2019;
- the termination of employment on 31/12/2018 of two staff members, which generated an effect only in 2019;
- greater project-based allocations compared to the previous year.

Financial Management

	2019	2018	Variation
INTEREST RECEIVABLE ON BANK AND POSTAL ACCOUNTS	1	15	(14)
<i>Interest payable on bank and postal accounts</i>			
<i>Charges on bank and postal accounts</i>	(4,225)	(3,497)	(728)
Result, management of bank and postal accounts	(4,224)	(3,482)	(742)
INCOME FROM INVESTMENT FUNDS AND SECURITIES	15,686	2,123	13,563



Charges on investment funds and securities	(43)	(37,642)	37,599
Commissions on invest, funds and securities		-	
INVESTMENT FUNDS AND SECURITIES EXPENSES	(43)	(37,642)	37,599
Result, management of investment funds and securities	15,643	(35,519)	51,162
Charges on bank guarantees	(8,659)	(8,317)	(342)
RESULT: FINANCIAL MANAGEMENT	2,760	(47,318)	50,078

Financial management includes interest receivable and interest payable on accounts, bank charges, charges on bank guarantees, and income and charges related to investment funds and securities. In 2019 the resulting net amount was positive, registered at € 2,760, better than that of 2018 by € 50,078 (when this amount was equal to - € 47,318), mainly because of the reappraisal of investment funds and securities in 2019.

Allowances and Released Allowances

	2019	2018	Variation
Credit Depreciation Allowance	(156,523)	-	(156,523)
Bequest Depreciation Allowance	(87,018)	-	(87,018)
Accounting Risk Allowance	(40,078)	(6,037)	(34,041)
Bequests Cost Allowance	(19,605)	(2,000)	(17605)
Various Risk Allowance		(46,695)	(46,695)
Taxation Risk Allowance			
Total Allowances	(303,224)	(54,732)	(248,492)
Release of Accounting Risk Allowance	196	2,408	(2,212)
Release of Costs and Risks Allowance		-	
Release of Bequest Cost Allowance		-	
Release of Bequest Depreciation Allowance	9,333	15,200	(5,867)
Total revenue for released allowances	9,529	17,608	(8,079)
ALLOWANCES AT NET OF RELEASED ALLOWANCES	(293,695)	(37,124)	(256,571)

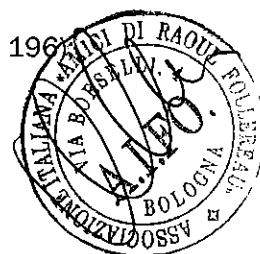
This particular part of extraordinary financial management illustrates revenues and expenses relative to the management of risk allowances and their release.

During the 2019 fiscal year, a total of € 303, 224 in risk allowances were created: € 248,492 more than in 2018. The budget line includes:

1. Accounting risk allowances for projects financed by institutional donors for a total of € 40,078 deriving from the possible default of the project partner Mongolo Tegsh Niigem regarding an advance payment made on loan by AIFO, and for the Rersus project in Brazil, after unilateral changes in accounting structures undertaken by the donor;
2. The provision of a bequest cost allowance for € 19,605 largely to cover real estate maintenance costs related to the Zorzoli and Montecchiari inheritances;
3. The provision of a bequest depreciation allowance for a total amount of € 87,018.11 following the depreciation in market value of the real estate of the Pasini, Zorzoli e Di Fenzo inheritances;
4. The provision of a credit depreciation allowance for a total value of € 156,523 due to:
 - o The write off of the Solis credit which became bad debt;
 - o Provision for projects financed by the Italian Agency for Development Cooperation in Mozambique. The local currency, the METICAL, tied to the US dollar is undergoing significant fluctuation that risks producing a lack of spending resulting in a possible reduction of credit with respect to this donor.

At the same time, a total of € 9,529 in allowances were released, regarding:

- Accounting risk allowances for projects whose accounting was closed positively (€ 196)



- A bequest depreciation allowance for the Petraccone inheritance (€ 9,333) after a deed was drawn up for sale of the real estate located in via Scaglione.

Revenues and Expenses of Exceptional Nature

	2019	2018	Variation
Increase in credits from inheritances		23,973	(23,973)
Surplus assets	17,252	6,846	10,406
Other exceptional revenues	82	960	(878)
Exceptional Revenues	17,334	31,779	(14,445)
Rounding on liabilities	(1)	(5)	4
Losses on credits		(845)	845
Surplus liability	(2478)	(2,811)	333
Expenses on bequests	(1,910)	(8,189)	6,279
Absence of surplus		-	-
Legal disputes with employees		(3,974)	3974
Differences in exchange rates	(467)		(467)
Exceptional Expenses	(4,856)	(15,824)	10,968
TOT EXCEPTIONAL REVENUES AND EXPENSES	12,478	15,955	(3,477)

This section includes as revenues, surplus assets, increases in credits from inheritances, and credits from favorable exchange rates as revenues; whereas surplus liability and other exceptional costs are listed as expenses.

In 2019, Exceptional Revenues amount to € 17,334 (€ 14,445 less compared to 2018). These are referred to the following:

- 1) The existence of **surplus assets**, mainly due to the closure of deferred income and a miscalculation concerning the severance fund during the 2017 fiscal year;
- 2) other minor amounts

Exceptional Expenses totaled € 4,856 (compared to € 15,824 in 2018) and are due to:

- 1) Expenses on the Ferraro bequest (for € 1,910) since the value of the titles received was lower than that registered in the statement;
- 2) Surplus liability. A value of € 899 is registered on this budget line for the erroneous disposal of a laptop in the previous fiscal year;
- 3) Other minor amounts.

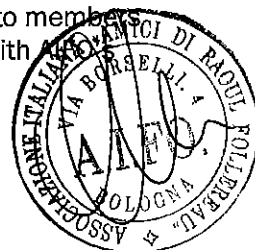
Tax Obligations

The budget item "Tax obligations", equal to € 28,817, includes reserve funds for the payment of IRES and IRAP taxes, as well as smaller taxes. It does not include ICI/IMU property tax amounts (which have been included in bequest costs).

Staff

AIFO staff is hired according to the National Collective Labor Contract (*Contratto Collettivo Nazionale di Lavoro*) for service and distribution industry employees. On 31/12/2019 there were 14 hired staff members at the association (14 in 2018 as well).

During the course of 2019 the Association registered 20 collaborating workers (compared to 19 in 2018), of whom 15 were expatriate project staff members. As regards voluntary work, this is registered only when pertinent to co-financed projects. Difficult to quantify are the thousands of volunteers who help support AIFO in activities ranging from those which are specialized, complex and qualified, to those related to information, education and fund raising. The same consideration can be applied to members of the Board of Trustees, who carry out their activities on a voluntary basis, in accordance with



charter, which calls for a total distinction between technical staff (paid) and members (volunteer). In 2019 the Association incurred costs of € 631,065 for staff members, (compared to € 716,316 in 2018: - 12%).

Significant events occurring after the closure of the fiscal year

Starting in the month of February 2020, starting in the northern regions, the COVID-19 virus (coronavirus) epidemic began spreading throughout Italy with a heavy impact on citizens' health and a negative impact on the fabric of society and the economy, especially after the restrictive measures adopted by the Italian government.

The Association adopted all preventative and operational measures for the containment of the virus, the accordance with the indications of the Ministry of Health and the single regions effected.

The Covid 19 pandemic represents an unprecedented risk for the global economy. The alarm was sounded by the highest European economic institution, which is revising all of its estimations in global economic growth in 2020 compared to what it had estimated last November. The predictions made by the OSCE on the economic effects of the virus in particular consider two scenarios: a basic scenario, which corresponds to a limited reduction in global economic growth, in the case of effective containment of the virus; and a less optimistic scenario in which a domino contagion effect is foreseen, in which all countries in the world will undergo harsh and intense effects.

Considering the OSCE's basic scenario, the 2020 budget drafted by our administrative staff, based on the current level of our portfolio and the funding available today, indicates decreasing revenues compared to that of the 2019 fiscal year, with a slow first semester and a slightly improved second semester. From the projections made, the worst hypothesis is that a contraction of 10% will take place in the 2020 fiscal year. Beyond this, the Association has taken several steps to reduce operational costs tied to employment and other secondary services. For these reasons, and also due to the positive net result of the association, the administrators do not detect a risk for its continued existence.

Results for the Fiscal Year

The 2019 fiscal year closed with a gain of € 469.516. Compared to the 2018 result (with a loss of € 10,797), there was a € 480, 313 improvement.

The results concerning operational income are also positive, closing at € 776,790. € 694,812 more than the previous fiscal year, when the result registered amounted to € 81,978.

This difference between the operational income and overall net results for the fiscal year is due to trends in non-operational factors, which together with financial management results, lessens the financial result by € 278,457.

The outcomes of operational income are significantly better than those of the previous fiscal year. This is mainly due to the following factors:

- Revenues from bequests increased by over € 998,000 (+237%)
- Contributions from AICS and other National Institutions increased for a total of over € 884,000 (+197%).

This statement of financial position gives a true and fair view and corresponds to the accounting records.


Antonio Lissoni
President
Associazione Italiana Amici di Raoul Follereau

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